



FACT SHEET

Commerce Finds Dumping of Imports of Xanthan Gum from Austria and the People's Republic of China (China)

- On May 29, 2013, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) investigations of imports of xanthan gum from Austria and China.
- The AD law provides U.S. businesses and workers with a transparent and internationally approved mechanism to seek relief from the market distorting effects caused by injurious dumping of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value.
- Commerce determined that xanthan gum from Austria and China has been sold in the United States at dumping margins of 29.98 percent and ranging from 15.09 percent to 154.07 percent, respectively.
- In the Austria investigation, mandatory respondent Jungbunzlauer Austria received a final dumping margin of 29.98 percent. All other producers/exporters from Austria also received a final dumping margin of 29.98 percent.
- In the China investigation, mandatory respondents Neimenggu Fufeng Biotechnologies Co., Ltd. (aka Inner Mongolia Fufeng Biotechnologies Co., Ltd.) and Deosen Biochemical Ltd. received final dumping margins of 15.09 percent and 128.32 percent, respectively. Four other exporters qualified for a separate rate of 71.71 percent. All other producers/exporters from China received the China-wide final dumping margin of 154.07 percent.
- As a result of the final AD determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to collect cash deposits equal to the applicable weighted-average dumping margins.
- The petitioner for these investigations is CP Kelco U.S., Inc. (GA).
- The merchandise covered by these investigations is dry xanthan gum, whether or not coated or blended with other products. Further, xanthan gum is included in these investigations regardless of physical form, including, but not limited to, solutions, slurries, dry powders of any particle size, or unground fiber. Xanthan gum that has been blended with other product(s) is included in this scope when the resulting mix contains 15 percent or more of xanthan gum by dry weight. Other products with which xanthan gum may be blended include, but are not limited to, sugars, minerals, and salts.
- In 2012, imports of xanthan gum from Austria and China were valued at an estimated \$30.5 million and \$82.4 million, respectively, and are provided for under HTSUS category 3913.90.2000.

NEXT STEPS

- The ITC is scheduled to make its final injury determination on or before July 12, 2013.
- If the ITC makes an affirmative final determination that imports of xanthan gum from Austria and/or China materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order. If the ITC makes a negative determination of injury for Austria and/or China, the respective investigation will be terminated.

FINAL MARGINS AND RATES:

| COUNTRY | EXPORTER/PRODUCER | DUMPING MARGINS |
|---------|-----------------------|-----------------|
| Austria | Jungbunzlauer Austria | 29.98% |
| | All Others | 29.98% |

| COUNTRY | EXPORTER/PRODUCER | DUMPING MARGINS |
|---------|--|-----------------|
| China | Neimenggu Fufeng Biotechnologies Co., Ltd. (aka Inner Mongolia Fufeng Biotechnologies Co., Ltd.) | 15.09% |
| | Deosen Biochemical Ltd. | 128.32% |
| | Separate Rate Companies (See Attached List) | 71.71% |
| | China-Wide Rate | 154.07% |

CASE CALENDAR:

| EVENT | AD INVESTIGATIONS |
|--------------------------------------|---------------------------------|
| Petitions Filed | June 5, 2012 |
| DOC Initiation Date | June 25, 2012 |
| ITC Preliminary Determination | July 20, 2012 |
| DOC Preliminary Determination | January 3, 2013 |
| DOC Final Determination | May 28, 2013[†] |
| ITC Final Determination | July 12, 2013 |
| Issuance of Order* | July 19, 2013 |

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For AD investigations, the deadline is set forth in section 735(a) of the Act. *This will take place only in the event of a final affirmative injury determination from the ITC.

IMPORT STATISTICS:

| Austria | 2010 | 2011 | 2012 |
|-----------------------------|-------------------|-------------------|-------------------|
| Volume (metric tons) | 4,300 | 4,200 | 4,900 |
| Value (US\$) | 24,750,000 | 25,207,000 | 30,462,000 |

| China | 2010 | 2011 | 2012 |
|-----------------------------|-------------------|-------------------|-------------------|
| Volume (metric tons) | 14,700 | 15,400 | 18,600 |
| Value (US\$) | 60,538,000 | 64,019,000 | 82,400,000 |

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 3913.90.2000). This HTS subheading is a basket category and may cover both subject and non-subject merchandise.

Separate Rate Companies for China

| Exporter | Producer |
|--|--|
| A.H.A. International Co., Ltd. | Shandong Fufeng Fermentation Co., Ltd. |
| A.H.A. International Co., Ltd. | Deosen Biochemical Ltd. |
| CP Kelco (Shandong) Biological Company Limited | CP Kelco (Shandong) Biological Company Limited |
| Hebei Xinhe Biochemical Co. Ltd. | Hebei Xinhe Biochemical Co. Ltd. |
| Shanghai Smart Chemicals Co. Ltd. | Deosen Biochemical Ltd. |